



Scott-Moncrieff
business advisers and accountants

TEFL SCOTLAND LTD

Company registration number SC349721

FILING FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 OCTOBER 2018

TEFL SCOTLAND LTD

COMPANY INFORMATION

Directors	Mrs J E MacKenzie R J S Hallwood T D Wilkinson
Company secretary	Rupert Hallwood
Registered number	SC349721
Registered office	18 Alexander Place Inverness IV3 5BX
Accountants	Scott-Moncrieff Chartered Accountants 10 Ardross Street Inverness IV3 5NS

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STATEMENT OF FINANCIAL POSITION
AS AT 31 OCTOBER 2018

		2018	As restated
	Note	£	2017
			£
Fixed assets			
Tangible assets	4	8,705	7,758
Investments	5	75	75
		<u>8,780</u>	<u>7,833</u>
Current assets			
Debtors: amounts falling due within one year	6	123,981	230,820
Cash at bank and in hand		364,047	274,083
		<u>488,028</u>	<u>504,903</u>
Creditors: amounts falling due within one year	7	(323,077)	(316,974)
		<u>164,951</u>	<u>187,929</u>
Net current assets			
		<u>173,731</u>	<u>195,762</u>
Total assets less current liabilities			
Provisions for liabilities			
Deferred tax	8	(1,218)	(1,275)
		<u>(1,218)</u>	<u>(1,275)</u>
Net assets		<u><u>172,513</u></u>	<u><u>194,487</u></u>

STATEMENT OF FINANCIAL POSITION (CONTINUED)
AS AT 31 OCTOBER 2018

	Note	2018 £	2017 £
Capital and reserves			
Called up share capital		100	100
Profit and loss account		172,413	194,387
		<u>172,513</u>	<u>194,487</u>

The directors consider that the company is entitled to exemption from audit under section 477 of the Companies Act 2006 and members have not required the company to obtain an audit for the year in question in accordance with section 476 of Companies Act 2006.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with the provisions of Section 1A 'Small Entities' of Financial Reporting Standard 102.

The financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime.

As permitted by Section 444 of the Companies Act 2006, the directors have not delivered to the Registrar a copy of the company's statement of income and retained earnings for the year ended 31 October 2018.

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

.....
Mrs J E MacKenzie

Director

Date: 25 April 2019

The notes on pages 3 to 12 form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2018**

1. General information

These financial statements are presented in Pounds Sterling (GBP), as that is the currency in which the majority of the company's transactions are denominated. They comprise the financial statements of the company drawn up for the year ended 31 October 2018.

The continuing activities of TEFL Scotland Ltd ('the company') is that of providing training and support in relation to teaching English as a foreign language.

The company is a private company limited by shares and is incorporated in the United Kingdom and registered in Scotland. Details of the registered office can be found on the company information page of these financial statements. The company's registered number is SC349721.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with applicable law and United Kingdom Accounting Standards including Section 1A 'Small Entities' of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice applicable to Small Entities).

The preparation of financial statements in compliance with Section 1A 'Small Entities' of FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the company accounting policies.

The following principal accounting policies have been applied:

2.2 Going concern

The company has sufficient financial resources. The directors believe that the company is well placed to manage its business risk successfully.

The directors have a reasonable expectation that the company has adequate resources to continue in existence for the foreseeable future. Thus they continue to operate the going concern basis of accounting in preparing the annual financial statements.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2018**

2. Accounting policies (continued)**2.3 Turnover**

Turnover is recognised to the extent that it is probable that the economic benefits will flow to the company and the turnover can be reliably measured. Turnover is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before turnover is recognised:

Rendering of services

Turnover from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of turnover can be measured reliably;
- it is probable that the company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

2.4 Interest income

Interest income is recognised in the Statement of Income and Retained Earnings using the effective interest method.

2.5 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, on a reducing balance basis.

Depreciation is provided on the following basis:

Fixtures and fittings	-	25%	on reducing balance
Computer equipment	-	33%	on reducing balance

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of Income and Retained Earnings.

2.6 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2018

2. Accounting policies (continued)

2.7 Debtors

Short term debtors are measured at transaction price, less any impairment.

2.8 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.9 Financial instruments

The company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors and loans to related parties.

2.10 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.11 Government grants

Grants are accounted under the accruals model as permitted by FRS 102. Grants relating to expenditure on tangible fixed assets are credited to the Statement of Income and Retained Earnings at the same rate as the depreciation on the assets to which the grant relates. The deferred element of grants is included in creditors as deferred income.

Grants of a revenue nature are recognised in the Statement of Income and Retained Earnings in the same period as the related expenditure.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2018**

2. Accounting policies (continued)

2.12 Foreign currency translation

Functional and presentational currency

The company's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of Income and Retained Earnings.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Statement of Income and Retained Earnings within 'finance income or costs'. All other foreign exchange gains and losses are presented in the Statement of Income and Retained Earnings within 'other operating income'.

2.13 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

2.14 Operating leases: the company as lessee

Rentals paid under operating leases are charged to the Statement of Income and Retained Earnings on a straight line basis over the lease term.

2.15 Pensions

Defined contribution pension plan

The company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the company pays fixed contributions into a separate entity. Once the contributions have been paid the company has no further payment obligations.

The contributions are recognised as an expense in the Statement of Income and Retained Earnings when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of Financial Position. The assets of the plan are held separately from the company in independently administered funds.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2018**

2. Accounting policies (continued)

2.16 Provisions for liabilities

Provisions are made where an event has taken place that gives the company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Statement of Income and Retained Earnings in the year that the company becomes aware of the obligation, and are measured at the best estimate at the Statement of Financial Position date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Statement of Financial Position.

2.17 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Statement of Income and Retained Earnings, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current corporation tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Statement of Financial Position date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

3. Employees

The average monthly number of employees, including directors, during the year was 18 (2017 - 19).

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2018

4. Tangible fixed assets

	Fixtures and fittings £	Computer equipment £	Total £
Cost			
At 1 November 2017	11,861	24,647	36,508
Additions	270	3,722	3,992
At 31 October 2018	12,131	28,369	40,500
Depreciation			
At 1 November 2017	9,282	19,468	28,750
Charge for the year	695	2,350	3,045
At 31 October 2018	9,977	21,818	31,795
Net book value			
At 31 October 2018	2,154	6,551	8,705
At 31 October 2017	2,579	5,179	7,758

5. Fixed asset investments

	Investments in subsidiary companies £
Cost or valuation	
At 1 November 2017	75
At 31 October 2018	75
Net book value	
At 31 October 2018	75
At 31 October 2017	75

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2018**

5. Fixed asset investments (continued)

Subsidiary undertakings

The following were subsidiary undertakings of the company:

Name	Country of incorporation	Class of shares	Holding	Principal activity
TEFL Courses Ireland Limited	Ireland	Ordinary	100 %	Providing training and business support

6. Debtors

	2018	<i>As restated</i>
	£	2017
		£
Trade debtors	2,290	4,458
Other debtors	103,679	184,021
Prepayments and accrued income	18,012	16,016
Tax recoverable	-	26,325
	123,981	230,820

7. Creditors: Amounts falling due within one year

	2018	<i>As restated</i>
	£	2017
		£
Trade creditors	3,773	31,543
Corporation tax	59,053	57,845
Other taxation and social security	82,013	81,384
Other creditors	55,492	55,116
Accruals and deferred income	122,746	91,086
	323,077	316,974

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2018**

8. Deferred taxation

	2018	<i>As restated</i> 2017
	£	£
At beginning of year	1,275	2,120
Charged to profit or loss	57	845
At end of year	<u>1,218</u>	<u>1,275</u>

The provision for deferred taxation is made up as follows:

	2018	<i>As restated</i> 2017
	£	£
Accelerated capital allowances	1,480	1,319
Short term timing differences	(262)	(44)
	<u>1,218</u>	<u>1,275</u>

9. Prior year adjustment

Income and expenditure generated by the TEFL USA division of the company was removed from the statement of income and retained earnings in the prior year and the balance was included as an other debtor as it was believed these related to a separate company. Since the preparation of the accounts it has been determined that these should have been included within the statement of income and retained earnings.

The impact of this adjustment is an increase in income of £15,463, an increase in expenditure of £68,423 and a reduction in other debtors of £52,960.

10. Pension commitments

The company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £6,307 (2017 - £3,306). Contributions totalling £1,540 (2017 - £259) were payable to the fund at the reporting date and are included in creditors.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2018**

11. Commitments under operating leases

At 31 October 2018 the company had future minimum lease payments under non-cancellable operating leases as follows:

	2018	<i>2017</i>
	£	<i>£</i>
Not later than 1 year	17,500	<i>22,313</i>
Later than 1 year and not later than 5 years	14,102	<i>31,602</i>
	<u>31,602</u>	<u><i>53,915</i></u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2018**

12. Related party transactions

R J S Hallwood

A company director and shareholder.

During the year Mr R.J.S. Hallwood introduced £136,862 (2017 - £107,805) to the company and withdrew £100,863 (2017 - £147,244). Dividends of £130,000 (2017 - £100,000) were paid to the related party in the year.

Amount due to the related party at the year end £47,507 (2017 - £11,508). No interest is charged on the loan balance and it is repayable on demand.

Mrs J E MacKenzie

A company director and shareholder.

During the year Mrs J.E. MacKenzie introduced £146,320 (2017 - £108,792) to the company and withdrew £185,711 (2017 - £131,273). Dividends of £130,000 (2017 - £100,000) were paid to the related party in the year.

Amount due to the related party at the year end £832 (2017 - £40,223). No interest is charged on the loan balance and it is repayable on demand.

TEFL Ireland Ltd

A subsidiary company

During the year, the company made payments to or on behalf of TEFL Ireland Limited of £18,645 (2017 - £81,936).

During the year, TEFL Ireland Limited made payments to or on behalf of the company of £344 (2017 - £36,095). During the year TEFL Ireland Limited paid to the company a dividend of £31,021 (2017 - £nil).

Amount due from related party at the year end £64,067 (2017 - £45,766). No interest is charged on the loan balance and it is repayable on demand.

EFTIKIA Limited

A company under common control

During the year the company made payment to or on behalf of EFTKIA Limited totalling £70 (2017 - £4,811)

During the year it was determined that the amount due from EFTKIA of £98,289 was no longer recoverable and has therefore been written off in these accounts.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.